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U.S. DEPARTMENT OF AGRICULTURE

FARM-MORTGAGE DEBT AT NEW HIGH LEVEL

Prepared in the Farm Economics Research Division

The outstanding farm-mortgage debt on January 1, 1959, totaled $11,254 million, up $747 million from January 1, 1958. This total is the highest of record; it surpasses by $469 million the previous high reached in 1923.

All of the principal lender groups shared in the 7-percent increase in mortgage debt holdings from year-earlier levels. Compared with the rate of increase in the previous year, all operating banks increased at a greater rate; life insurance companies and others increased at about the same rate; and the rate of increase of the Federal land banks and Farmers Home Administration was lower.

The distribution of the outstanding debt among the principal lenders shows little change over the previous year. The share held by the Federal land banks, which has been on the increase since 1954, continued upward through 1958. The share held by others increased for the first time since 1956. The proportion held by life insurance companies and banks, which started declining during 1956, continued downward.

The farm-mortgage debt outstanding increased during 1958 in all except three of the States - New Hampshire, Rhode Island, and Oklahoma. In New Hampshire, the debt held by the Farmers Home Administration was above 1958 levels, but not enough to offset decreases in the value of debt held by other lenders. In Rhode Island, the mortgage debt holdings of the governmental agencies were up over 1958; the holdings of nongovernmental lenders were down; the decrease in holdings of life insurance companies in Oklahoma more than offset the increase in value of holdings of the other lender groups.

Preliminary estimates of the amount of mortgage debt outstanding for July 1 indicate that farm-mortgage debt is continuing upward at a higher rate than during the comparable period in 1958. Loan activity by the principal lenders continued above year-earlier levels in number and value of loans during the first quarter of the year, except for Farmers Home Administration farm-housing loans, which were off sharply in both number and value. Interest rates have been higher this year than they were at the same time last year.

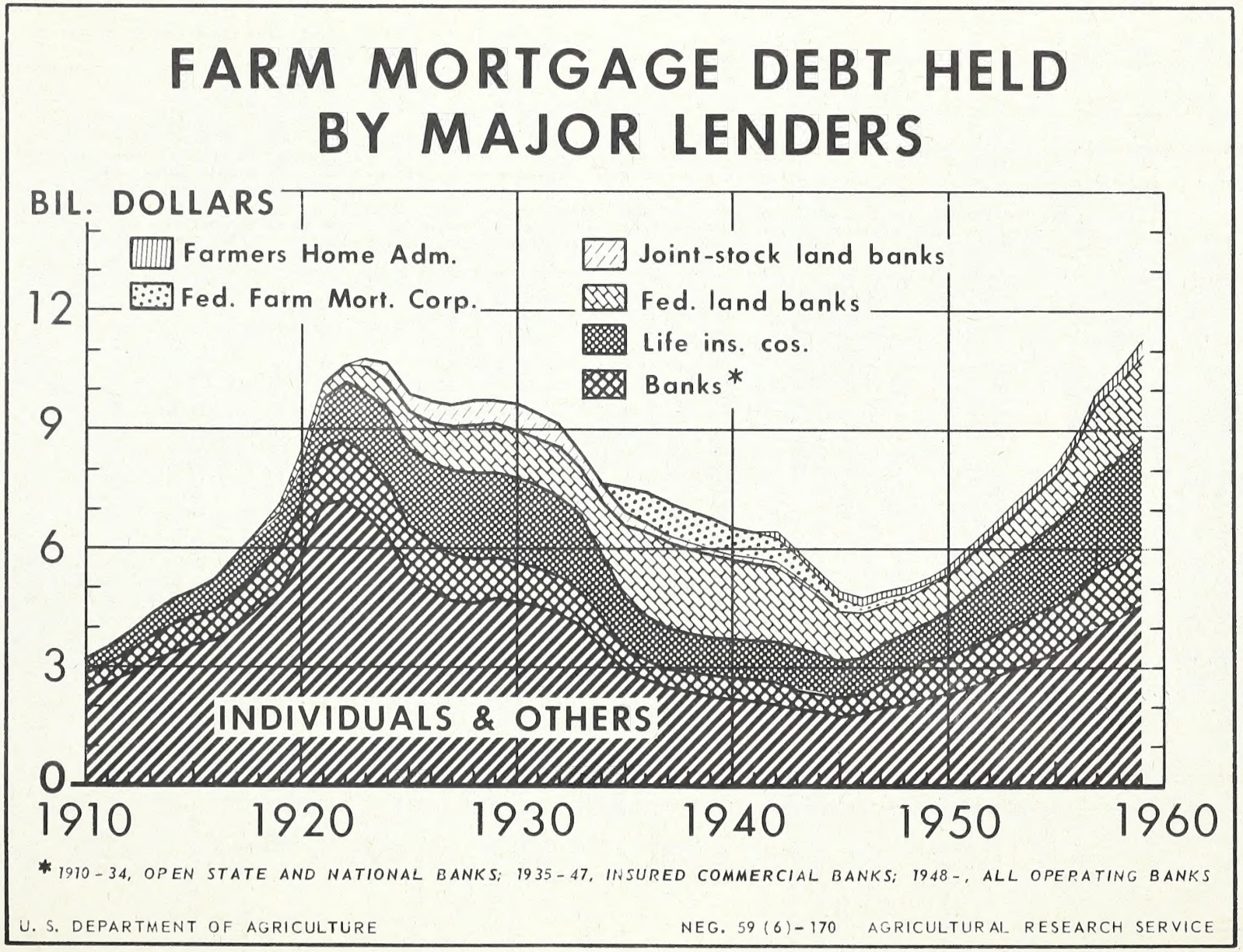
FARM MORTGAGE DEBT HELD BY MAJOR LENDERS
BIL. DOLLARS
Farmers Home Adm.
Fed. Farm Mort. Corp.
Joint-stock land banks
Fed. land banks
Life ins. cos.
Banks*
INDIVIDUALS & OTHERS
12
9
6
3
0
1910
1920
1930
1940
1950
1960
* 1910-34, OPEN STATE AND NATIONAL BANKS; 1935-47, INSURED COMMERCIAL BANKS; 1948-, ALL OPERATING BANKS
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Figure 1

Table 1.- Farm-mortgage debt: Total outstanding and amounts held by principal lender groups, United States, 1940-59

Beginning of year or month	Federal land banks 1/	Federal Farm Mortgage Corporation 1/ 2/	Joint-stock land banks 1/ 3/	Farmers Home Administration 4/	Life insurance companies 5/	Commercial and savings banks 6/	Individuals and others	Total
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
1940	2,009,820	713,290	91,726	32,178	984,290	534,170	2,220,925	6,586,399
1941	1,957,184	685,149	73,455	65,944	1,016,479	543,408	2,151,908	6,493,527
1942	1,880,784	634,885	55,919	115,629	1,063,166	535,212	2,090,485	6,376,080
1943	1,718,240	543,895	37,015	159,053	1,042,939	476,676	1,978,640	5,956,458
1944	1,452,886	429,751	10,097	173,695	986,661	448,433	1,894,148	5,395,671
1945	1,209,676	347,307	5,455	195,519	938,275	449,582	1,795,101	4,940,915
1946	1,078,952	239,365	3,208	184,091	891,263	507,298	1,856,287	4,760,464
1947	976,748	146,621	1,641	191,954	888,665	683,229	2,008,112	4,896,970
1948	888,933	107,066	645	197,927	959,715	840,647	2,069,312	5,064,245
1949	868,156	77,920	462	192,328	1,036,383	900,843	2,212,239	5,288,331
1950	906,077	58,650	270	193,301	1,172,326	937,144	2,311,510	5,579,278
1951	947,431	44,008	---	220,104	1,352,635	1,008,359	2,545,822	6,118,359
1952	994,128	32,778	---	240,809	1,541,874	1,046,923	2,819,107	6,675,619
1953	1,071,358	23,899	---	268,257	1,716,022	1,105,096	3,078,568	7,263,200
1954	1,169,418	17,628	---	282,098	1,892,773	1,131,214	3,279,073	7,772,204
1955	1,266,953	12,834	---	287,171	2,051,784	1,210,676	3,459,419	8,288,837
1956	1,480,204	---	---	277,869	2,271,784	1,346,287	3,690,009	9,066,153
1957	1,722,381	---	---	289,546	2,476,543	1,386,270	4,032,883	9,907,623
1958	1,897,187	---	---	339,865	2,578,958	1,414,207	4,276,815	10,507,032
1959:								
January	2,065,372	---	---	388,010	2,661,229	1,511,859	4,627,794	11,254,264
July	7/ 2,237,900	---	---	7/ 411,000	7/ 2,741,000	---	---	---

1/ Federal land bank and Federal Farm Mortgage Corporation mortgages in process of foreclosure were estimated for 1951 and 1952.

2/ Loans held by Corporation were made on its behalf by Land Bank Commissioner. Authority to make new loans, except incidental to liquidation, expired July 1, 1947. On June 30, 1955, loans of the Federal Farm Mortgage Corporation were sold to the 12 Federal land banks.

3/ Liquidation of the joint-stock land banks began May 12, 1933, and was completed April 26, 1951. Data include banks in receivership.

4/ Data for 1940-41 include only tenant-purchase loans and direct soil and water conservation loans to individuals. Thereafter, data also include farm-development (special real estate) loans beginning 1942; farm-enlargement loans beginning 1944; project-liquidation loans beginning 1945; farm-housing loans beginning July 1950; and building-improvement loans beginning 1955. Data also include loans for these purposes from State Corporation trust funds.

5/ Estimates based on direct reports from life insurance companies, official reports submitted to State insurance commissioners, "Best's Life Insurance Reports," "Spectator Life Insurance Yearbook," and data from Life Insurance Association of America and Institute of Life Insurance. Includes legal reserve companies only.

6/ 1940-47 includes insured commercial banks and 1948 to date, all operating commercial and savings banks. Beginning 1956, includes soil and water conservation loans insured by the Farmers Home Administration.

7/ Preliminary.

Table 2.- Farm-mortgage debt: Total outstanding and amounts held by principal lender groups, by States, January 1, 1959

State and region	Principal lender groups					All operating banks 5/
	Total	Federal land banks 1/	Farmers Home Administration 2/	Life insurance companies 3/	Others 4/	
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Maine	32,711	4,408	3,578	550	24,175	8,037
New Hampshire	20,127	2,230	543	45	17,309	3,337
Vermont	43,932	9,533	881	1,142	32,376	17,458
Massachusetts	55,022	8,433	604	712	45,273	10,452
Rhode Island	5,880	1,309	27	13	4,531	2,145
Connecticut	49,707	9,057	299	2,146	38,205	9,116
New York	278,247	47,299	3,508	14,599	212,841	59,085
New Jersey	90,121	12,864	2,341	13,720	61,196	14,147
Pennsylvania	233,687	25,877	5,341	9,043	193,426	78,411
Delaware	16,402	2,649	283	446	13,024	10,556
Maryland 6/	93,484	11,317	2,634	6,565	72,968	27,303
Northeast	919,320	134,976	20,039	48,981	715,324	240,047
Michigan	299,705	68,422	6,078	19,336	205,869	53,695
Wisconsin	430,952	61,591	9,594	28,567	331,200	79,873
Minnesota	549,028	105,665	9,032	129,087	305,244	63,156
Lake States	1,279,685	235,678	24,704	176,990	842,313	196,724
Ohio	430,925	65,723	5,715	68,488	290,999	107,235
Indiana	387,589	63,201	6,231	129,215	188,942	67,770
Illinois	464,904	103,229	5,984	190,354	165,337	61,864
Iowa	785,842	143,245	9,702	318,560	314,335	71,884
Missouri	345,052	48,619	19,084	120,716	156,633	59,895
Corn Belt	2,414,312	424,017	46,716	827,333	1,116,246	368,648
North Dakota	149,002	31,351	9,382	12,725	95,544	10,560
South Dakota	160,773	60,309	6,581	47,769	46,114	6,309
Nebraska	345,153	96,279	7,573	117,221	124,080	14,205
Kansas	318,274	85,563	8,489	103,746	120,476	27,563
Northern Plains	973,202	273,502	32,025	281,461	386,214	58,637
Virginia	165,124	18,851	6,155	24,497	115,621	43,009
West Virginia	34,638	6,466	4,525	1,586	22,061	12,072
North Carolina	240,956	40,097	17,159	34,202	149,498	38,659
Kentucky	187,833	27,604	8,225	47,219	104,785	68,782
Tennessee	176,445	27,889	14,343	24,240	109,973	51,224
Appalachian	804,996	120,907	50,407	131,744	501,938	213,746
South Carolina	98,468	23,201	11,146	11,908	52,213	11,407
Georgia	197,189	41,735	20,082	29,482	105,890	43,996
Florida	211,359	22,928	9,316	62,539	116,576	23,819
Alabama	172,596	46,297	18,677	17,616	90,006	25,758
Southeast	679,612	134,161	59,221	121,545	364,685	104,980

Mississippi	247,018	43,745	28,472	68,564	106,237	30,502
Arkansas	208,099	20,611	12,159	92,663	82,666	25,843
Louisiana	137,655	28,607	11,465	22,874	74,709	24,598
Delta States	592,772	92,963	52,096	184,101	263,612	80,943
Oklahoma	225,032	37,427	13,328	7/ 77,288	96,989	21,009
Texas	787,669	211,063	24,603	7/ 290,055	261,948	42,291
Southern Plains	1,012,701	248,490	37,931	367,343	358,937	63,300
Montana	186,328	38,465	4,344	40,300	103,219	4,588
Idaho	231,993	49,330	13,916	53,413	115,334	3,273
Wyoming	76,449	18,045	3,902	30,860	23,642	2,238
Colorado	220,984	38,726	4,072	72,284	105,902	7,885
New Mexico	98,723	15,198	3,514	41,612	38,399	3,520
Arizona	111,111	13,893	2,106	37,763	57,349	4,250
Utah	84,949	14,836	6,682	12,483	50,948	7,476
Nevada	28,712	3,583	553	7,758	16,818	1,073
Mountain	1,039,249	192,076	39,089	296,473	511,611	34,303
Washington	274,958	38,020	12,977	38,179	185,782	21,480
Oregon	240,112	33,407	5,494	40,642	160,569	17,696
California	1,023,345	137,175	7,311	146,437	732,422	111,355
Pacific	1,538,415	208,602	25,782	225,258	1,078,773	150,531
United States	11,254,264	2,065,372	388,010	2,661,229	6,139,653	1,511,859

1/ State distribution of loans in process of foreclosure estimated.

2/ Includes tenant-purchase, farm-enlargement, farm-development, project-liquidation, farm-housing, and direct soil and water conservation loans to individuals, and loans for these purposes from State Corporation trust funds.

3/ Estimates based on direct reports from life insurance companies, official reports submitted to State insurance commissioners, "Best's Life Insurance Reports," "Spectator Life Insurance Yearbook," and data from Life Insurance Association of America and Institute of Life Insurance.

4/ Estimated total loans held by all operating banks, individuals, and miscellaneous lenders. State estimates are approximate and should be used only as general indicators of the amount of farm-mortgage debt held by this group.

5/ Includes national and State commercial, mutual and stock savings, and private banks. Mortgage loans held by banks are classified according to location of bank and, therefore, are not strictly comparable by States with mortgage loans for other lenders, which are classified according to location of security or borrower.

6/ Includes District of Columbia.

7/ Excludes $11,258,000 for Oklahoma and $22,508,000 for Texas in oil and gas loans which were formerly classified as farm-mortgage loans.

Table 3.- Farm-mortgage debt: Total outstanding and amounts held by principal lender groups, by States, January 1, 1958

State and region	Principal lender groups					All operating banks 5/
	Total	Federal land banks 1/	Farmers Home Administration 2/	Life insurance companies 3/	Others 4/	
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Maine	29,620	4,061	2,391	763	22,405	7,792
New Hampshire	22,511	2,242	526	48	19,695	4,068
Vermont	42,948	9,422	806	1,166	31,554	16,970
Massachusetts	54,458	8,441	527	658	44,832	10,368
Rhode Island	6,967	1,245	24	16	5,682	2,855
Connecticut	48,526	8,356	318	2,274	37,578	9,180
New York	259,209	44,756	3,184	15,232	196,037	52,801
New Jersey	89,466	12,425	2,095	14,421	60,525	13,818
Pennsylvania	220,887	23,927	4,913	9,141	182,906	74,191
Delaware	15,264	2,194	256	418	12,396	10,099
Maryland 6/	85,447	9,964	2,123	6,450	66,910	25,171
Northeast	875,303	127,033	17,163	50,587	680,520	227,313
Michigan	279,203	62,189	5,195	18,206	193,613	51,849
Wisconsin	408,983	60,138	7,989	27,915	312,941	74,426
Minnesota	518,479	96,515	8,185	123,571	290,208	61,590
Lake States	1,206,665	218,842	21,369	169,692	796,762	187,865
Ohio	398,149	56,758	5,239	63,102	273,050	103,263
Indiana	360,547	56,086	5,716	122,475	176,270	63,552
Illinois	429,130	93,652	5,571	177,910	151,997	56,486
Iowa	764,495	136,730	8,406	312,763	306,596	70,731
Missouri	320,441	43,601	15,999	116,687	144,154	54,316
Corn Belt	2,272,762	386,827	40,931	792,937	1,052,067	348,348
North Dakota	136,571	28,863	7,401	12,772	87,535	9,641
South Dakota	152,587	56,759	5,813	47,156	42,859	5,081
Nebraska	335,981	93,446	7,653	113,797	121,085	14,130
Kansas	306,392	80,074	8,365	100,751	117,202	27,758
Northern Plains	931,531	259,142	29,232	274,476	368,681	56,610
Virginia	156,214	17,034	5,766	24,114	109,300	40,606
West Virginia	30,851	6,046	3,447	1,154	20,204	11,307
North Carolina	217,821	35,225	15,072	32,168	135,356	35,159
Kentucky	173,578	24,737	7,043	45,223	96,575	63,304
Tennessee	162,909	24,690	11,748	23,639	102,832	48,590
Appalachian	741,373	107,732	43,076	126,298	464,267	198,966
South Carolina	89,762	21,452	9,460	11,142	47,708	10,510
Georgia	179,858	36,485	17,152	28,741	97,480	41,026
Florida	184,221	18,387	6,206	56,521	103,107	22,260
Alabama	152,775	43,180	16,414	13,358	79,823	22,953
Southeast	606,616	119,504	49,232	109,762	328,118	96,749

Mississippi	220,988	39,103	25,270	61,813	94,802	27,048
Arkansas	182,339	18,064	11,029	80,286	72,960	23,171
Louisiana	126,359	25,505	10,121	21,743	68,990	22,991
Delta States	529,686	82,672	46,420	163,842	236,752	73,210
Oklahoma	234,007	36,761	12,924	97,408	86,914	19,611
Texas	745,595	201,410	21,832	294,909	227,444	40,894
Southern Plains	979,602	238,171	34,756	392,317	314,358	60,505
Montana	165,950	32,817	4,019	37,413	91,701	3,857
Idaho	213,938	43,989	12,244	51,085	106,620	3,280
Wyoming	72,528	16,229	3,515	30,488	22,296	1,990
Colorado	211,662	35,946	4,089	70,274	101,353	7,471
New Mexico	97,235	14,257	3,513	41,928	37,537	3,184
Arizona	100,864	12,229	2,286	34,351	51,998	3,796
Utah	80,644	13,550	5,687	12,844	48,563	7,294
Nevada	27,530	3,184	579	7,630	16,137	1,040
Mountain	970,351	172,201	35,932	286,013	476,205	31,912
Washington	242,621	33,993	10,150	35,438	163,040	18,061
Oregon	224,597	29,994	5,056	40,462	149,085	15,444
California	925,925	121,076	6,548	137,134	661,167	99,224
Pacific	1,393,143	185,063	21,754	213,034	973,292	132,729
United States	10,507,032	1,897,187	339,865	2,578,958	5,691,022	1,414,207

1/ State distribution of loans in process of foreclosure estimated.

2/ Includes tenant-purchase, farm-enlargement, farm-development, project-liquidation, farm-housing, and direct soil and water conservation loans to individuals, and loans for these purposes from State Corporation trust funds.

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6/ Includes District of Columbia.